

1 Add 2 Cal. Code Regs. Section 18544 to read:

2 **18544. Campaign Contribution and Voluntary Expenditure COLA Formula.**

3 (a) For purposes of Government Code section 83124, beginning the year 2002 the cost of
4 living adjustment shall be calculated as follows.

5 (1) The contribution limitations in Government Code sections 85301, 85302 and 85303
6 shall be adjusted biennially by the Commission to reflect changes in the California Consumer
7 Price Index (CPI). The adjustment shall be made using the following formula: the contribution
8 limit amount in effect January 1, 2001, multiplied by the current CPI, divided by the base CPI
9 from 2000, rounded to the nearest one hundred dollars (\$100).¹ The resulting figure shall be the
10 adjusted contribution limitation in effect for all state elections held until the next odd numbered
11 year.

12 (2) The voluntary expenditure ceilings in Government Code section 85400 shall be
13 adjusted biennially by the Commission to reflect changes in the California Consumer Price
14 Index. The adjustment shall be made using the following formula: the voluntary expenditure
15 ceiling amount in effect January 1, 2001, multiplied by the current CPI, divided by the base CPI
16 from 2000, rounded to the nearest one thousand dollars (\$1,000).² The resulting figure shall be

¹ For example, the California Consumer Price Index for All Urban Consumers for 2000 is 177.3. In 2002, the California CPI increased to 187.4. Therefore an adjusted contribution limit beginning in 2003 that was \$3,000 would be calculated as follows:

$$\frac{\$3,000 \times 187.4}{177.3} = \$3,171.0 \text{ } (\$3,200 \text{ rounded to the nearest } \$100)$$

² For example, the California Consumer Price Index for All Urban Consumers for 2000 is 177.3. In 2002, the California CPI increased to 187.4. Therefore an adjusted expenditure ceiling beginning in 2003 that was \$400,000 would be calculated as follows:

$$\frac{\$400,000 \times 187.4}{177.3} = \$422,786 \text{ } (\$423,000 \text{ rounded to the nearest } \$1,000)$$

1 the adjusted voluntary expenditure limitation in effect for all state elections held until the next
2 odd numbered year.

3 (b) The adjustments shall be based upon the September forecast of U.S. Bureau of Labor
4 Statistics California Consumer Price Index for All Urban Consumers for the calendar year
5 immediately preceding the year in which the adjustment is to take effect.

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7 NOTE: Authority cited: Section 83112, Government Code.

8 Reference: Sections 83124, 85301, 85302, 85303, and 85400, Government Code.